



RE: Richmond Power and Light - Settlement Negotiations

Sullivan, Tony

to:

Padmavati Bending

02/28/2011 08:48 AM

Hide Details

From: "Sullivan, Tony" <Tony.Sullivan@btlaw.com>

To: Padmavati Bending/R5/USEPA/US@EPA

History: This message has been replied to and forwarded.

Hi Padma,

Regarding whether RPL would consider converting Boiler #1 to a waste-to-energy facility, such a decision would need to be made by the city council. However, RPL management would consider proposing to the city council a settlement offer along the following lines:

- Convert Unit #2 to a waste gasification facility by December 2013.
- Retire Unit #1 by December 2020.

RPL management would likely recommend to the city council that it not accept any other terms, such as civil penalties, mitigation projects, retirement of credits, installation of PM CEMs, or specific emission limits on Unit #2 after its conversion (except, of course, applicable limits such as NSPS, if they are determined to apply).

Regarding emission rates from the converted Boiler #2, we are not currently in a position to reliably estimate those rates, although all indications are that the rates will be substantially less than current rates. Additional data will be obtained this spring.

Please let me know your thoughts.

Tony Sullivan

From: Bending.Padmavati@epamail.epa.gov [mailto:Bending.Padmavati@epamail.epa.gov]
Sent: Tuesday, February 15, 2011 4:54 PM
To: Sullivan, Tony
Subject: Re: Richmond Power and Light - Settlement Negotiations

Tony:

We are pleased that Richmond Power & Light (RPL) is proceeding with plans to convert its Boiler #2 into a waste-to-energy facility. We are wondering if it is feasible for RPL to consider converting Boiler #1 to a waste-to-energy facility. If not, then we are willing to consider an alternative proposal from RPL with regard to Boiler #1 along the lines outlined in our January 26, 2011 settlement proposal.

Concerning our settlement proposal, our position on civil penalties and mitigation projects will be impacted by the type and implementation schedule of the injunctive relief proposed for both boilers. PM CEMS may not be required depending upon the injunctive relief agreed upon by the parties. Emission rates and caps will be dependent upon the specific final conversions and control technologies agreed upon by the parties. In most cases, we and the facility have agreed upon emissions rates and caps up front.

We remain willing to work with you and your client on a negotiated settlement and look forward to receiving a definitive proposal. If helpful, we would be willing to meet or have a conference call. Please let me know when we can expect a settlement proposal from RPL.

/s/ Padma Bending

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From: "Sullivan, Tony" <Tony.Sullivan@btlaw.com>
To: Padmavati Bending/R5/USEPA/US@EPA
Date: 02/09/2011 02:51 PM
Subject: Richmond Power and Light - Settlement Negotiations

Re: Richmond Power & Light - Confidential Settlement Negotiations